

2008-2009 PERFORMANCE PLAN – Sr. Portfolio Manager, Fixed Income, Structure (A. Phillips)

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Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
35%	CalPERS Internally Managed Mortgages	Net of Fees, excess return in basis points relative to: Internally Managed Mortgage Portfolio – CalPERS Custom Lehman LPF Mortgage {SJ5CA1 – CALMCLS2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
10%	Other Managed Fixed Income Funds	Net of Fees, excess return in basis points relative to: <ul style="list-style-type: none"> (4%) High Quality LIBOR Fund – CalPERS Blended LIBOR Fed Fund Index (Daily) {SW3X – CPERLFFD} (4%) Short Duration Fund – CalPERS Blended LIBOR Fed Fund Index (Daily) {SW9D – CPERLFFD } (1%) CalPERS Internally Managed Short Term – State Street STIF Net of Fees {SJ10 – Y8K2} (1%) CalPERS Securities Lending Program 	0 basis points = 0 +5 basis points = 1.0 +8 basis points = 1.5 0 basis points = 0 +30 basis points = 1.0 +45 basis points = 1.5 0 basis points = 0 +5 basis points = 1.0 +8 basis points = 1.5 \$110 MM = 0 \$150 MM = 1.0 \$170 MM = 1.5
30%	CalPERS Domestic Fixed Income (FI), Internal	Net of Fees, excess return in basis points relative to: <ul style="list-style-type: none"> Domestic Fixed Income (FI), Internal – CalPERS Custom LEH LPF {SW4KA1 – CALCCLP2} 	0 basis points = 0 +40 basis points = 1.0 + 60 basis points = 1.5

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Quantitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule
10%	CalPERS Total Fund Performance	Net of Fees, excess return in basis points relative to total fund performance benchmark. Comp-PERS Total Fund All Portfolios – CalPERS Policy Index (Daily) {SJ1CA1 – CPERSTO2}	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5
85%	Subtotal	Quantitative Measures	

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	<i>Human Resources staff is working with the Interim Chief Investment Officer to develop the qualitative leadership performance measures which will be presented for second reading.</i>	From Schedule
15%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	